

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Defining Primary Lines) CC Docket No. 97-181
)
) DOCKET FILE COPY ORIGINAL

To: The Commission

ORIGINAL

PETITION FOR RECONSIDERATION

1. Moultrie Independent Telephone Company ("Moultrie"), a rural independent local exchange carrier ("ILEC") serving 800 access lines in central Illinois, hereby petitions for reconsideration of that aspect of the *Report and Order & Further Notice of Proposed Rulemaking* in the above-referenced proceeding¹ that permits primary line treatment to be given to only one telephone line per student dormitory room. The practical result of this limitation is both fundamentally unfair to students and administratively impractical for educational institutions, where telephone service is typically provided to student dormitory rooms on a master account which is billed by the local exchange carrier to, and paid by, a college or university. The revised rule discriminates between similarly situated students and works a hardship on financial aid students, many of whom would qualify for Lifeline Support were they not residents of dormitory rooms. The intent of the rule is thus not fulfilled by its application as now written. At a minimum, the rule should be changed to provide for each student, rather than each dormitory

¹ *Defining Primary Lines, Report and Order & Further Notice of Proposed Rule Making*, CC Docket No. 97-181, FCC 99-28 (released March 10, 1999) ("Primary Lines Order").

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room, to be assigned one primary line; alternatively, all telephone lines provided to students living in on-campus dorm rooms could be deemed primary.

2. Legal Background. The FCC allows ILECs to recover a portion of the interstate costs of providing the local loop used to provide interstate telecommunications services through a flat, monthly end-user common line charge (also referred as a subscriber line charge or “SLC”).² The amount of the SLC is capped in order to avoid placing too much of the cost burden on end users.³ Price cap LECs are allowed to recover the remainder of their interstate costs attributable to provision of the local loop through the primary interexchange carrier charge (“PICC”), which is a flat, per-line charge assessed on the subscriber’s presubscribed interexchange carrier (“IXC”).⁴ The lawful amount of the PICC is also capped. If the line at issue is considered a “primary line,” lower SLC and PICC must be charged than if the line is considered a “non-primary line.”⁵ Thus,

2 Primary Lines Order at ¶6, citing *MTS and WATS Market Structure, Third Report and Order*, 93 FCC 2d 241, 243, 279 (“1983 Access Charge Order”), *recon.*, 97 FCC 2d 682 (1983), *second recon.*, 97 FCC 2d 834 (1984); *Access Charge Reform, First Report and Order*, 12 FCC Rcd 15982, 16007-08 (1997) (“Access Charge Reform Order”).

3 *Id.*, citing 1983 Access Charge Order at 243, 290, and Access Charge Reform Order at 16007.

4 *Id.*, citing 1983 Access Charge Order at 244, 280, and Access Charge Reform Order at 16007-08.

5 For 1999, the SLC cap for price cap LECs is \$3.50 per month for each primary residential and single line business line, \$6.07 per month for each non-primary residential line, and \$9.20 per month for each multi-line business line. Through June 30, 1999, the PICC cap is \$0.53 per month for each primary residential and single line business line, \$1.50 per month for each non-primary residential line, and \$2.75 per month for each multi-line business line. *See* Order at ¶8.

the definition of and any restrictions on primary and non-primary lines are important for economic reasons.

3. Under the Primary Lines Order, primary residential lines are now location-based.⁶ The new rule specifies that the monthly SLC and PICC will be capped at the lowest level for only one line per residential location furnished by a price-cap LEC. A dormitory room or suite is classified as a single residential location, no matter how many students occupy the room or suite, regardless of whether they have any relationship other than sharing living quarters, and regardless of whether room-sharing is voluntary or compulsory. The SLC and PICC caps are higher for all other local lines provided to the same room or suite, with the result that all other lines will with be charged at a higher rate.

4. Factual Background. As stated above, Moultrie is an ILEC serving central Illinois. Moultrie currently services telephone ratepayers whose interests are affected by the Primary Lines Order. In a typical university telephone system, each dorm room has one telephone line, provided by a LEC through the university's Centrex system, which system typically serves both dormitory rooms and university offices. The Centrex lines provided to dormitory rooms are classified as residential and are all treated as primary lines; thus each of these lines is assessed not more than \$3.50 per month for the SLC and \$0.53 for the PICC. Centrex lines on the same system provided to faculty and administrative offices are classified as business lines and are thus assessed a higher SLC and PICC.

⁶ Primary Lines Order at ¶2.

5. Both residential and business Centrex lines are typically billed to the university at a single billing address on a single bill. The LEC servicing the university usually has no billing relationship with the student dormitory residents who use the residential lines. The university provides telephone numbers and allows students to make local calls without a separate charge from the university's overall dormitory room occupancy charge; in such a situation, students are typically assessed separate telephone charges only for long distance toll calls.⁷

6. It is Moultrie's understanding that increased demand for telephone usage in this day of high-speed modems accessing the Internet as well as privacy between students sharing dorm rooms have led to a proliferation of additional phone lines being installed in dorm rooms. If no extra lines are installed, students in shared rooms and suites at universities are at an undesirable disadvantage compared to students in single rooms. In light of the increased demand for telephone lines to dorm rooms and in order to put all students on a level playing field, some universities are considering whether to install additional Centrex lines so that each student will be assigned his/her own personal telephone number and line, giving every campus-resident student the same access to telephone service as every other resident student. Under the new location-based primary line rule, if it is not modified, all of these additional lines will be considered non-primary and will be charged at a higher rate than a given university now pays for residential Centrex lines. This additional cost will inevitably be passed through to the students living in the dorm rooms across the board.

⁷ Note that a student usually may order an additional line directly from the LEC. In this situation, the additional telephone line does not go through the university's Centrex system. The student is billed by and makes payment directly to the LEC for the additional line.

7. Argument. The practical scenario presented by the revised primary lines rule is both fundamentally unfair to students and administratively impractical for LECs to administer. Under the current arrangement, every student line is charged the same rate. Under the new rule, if two or more students share a dormitory room or suite, only one line will receive primary line treatment, and the others will not. The result will be discrimination between similarly situated students with no rational basis.⁸ Forcing certain students to pay more for a telephone line than others, or forcing all students at a university to pay more across the board for telephone lines provided by the university, penalizes them for wanting the privacy of their own phone line or access the Internet. Access to the Internet and all of the many sources of information a student can access through the Internet should be fostered, not restricted, in order to aid in a student's education.

8. It is relatively easy for a LEC to keep records of which Centrex lines should be classified as residential and which should be classified as business, because when an order is placed, it is typically identified as for either a dormitory room or an office. It is also relatively easy to administer the existing primary line rule, because all residential lines are considered primary, and all business lines are considered multi-line. Under the new rule, however, if more than one line is terminated in a room or suite,⁹ these residential lines will have to be broken down

⁸ It is important to note that students typically have little freedom to choose whether to live alone or in a multi-occupant room or suite. Students at most universities may request specific types of rooms (single, double, etc.), but there is usually no guarantee that they will be assigned the room they requested; in the end, for obvious administrative reasons, a university's staff makes final room assignments.

⁹ If a university opts not to install additional lines, then students who order their own service
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into primary and non-primary; but there will not be any easy way to determine accurately how a particular residential line terminated in a dormitory building should be classified.

9. In theory, perhaps, a university could compare its residential student enrollment with the number of residential Centrex lines the LEC provides and could come up with a statistical apportionment of line classification; but that arrangement would be unfair and essentially irrational. It would result in a substantial increase in that university's overall telephone bill, which means that the university would likely have to increase its room occupancy charge overall to compensate for the increase in cost, since local telephone service is not separately billed to students. This increase would fall uniformly on all students, who would then be disadvantaged compared to the general population, because none of them would enjoy the full benefit of the primary line SLC and PICC caps. Included in those bearing the burden would be students on financial aid, many of whom have incomes low enough that they would qualify for Lifeline support if they lived off-campus in apartments where only one line was installed.

10. Applying the new rule to permit only some dormitory lines to be classified as primary is not necessary to avoid abuses that have occurred under the present rule and would not fulfill the purposes of the new rule. The dormitory environment does not involve any ambiguity or administrative burden in applying the rule, because a dormitory room or suite is a clearly defined environment, where students do not have differently named family members available to

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from the LEC will be penalized by paying a higher charge for not wanting to share a line with a student with whom they may not have voluntarily chosen to share quarters.

circumvent the FCC's rules by ordering multiple lines in different names from one location.¹⁰ Applying the existing rule does not involve any intrusive investigation into private living arrangements,¹¹ because dormitory living arrangements are all the same, with occupancy by unrelated students. Where a LEC bills all the Centrex lines on a single bill to the universities in its area, its service records are not a "straightforward" source of information regarding the nature of each service location.¹²

11. Conclusion. It is apparent that the new rule is not necessary for administrative purposes as applied to the campus environment, and the impact of the new primary line rule on universities and their students would be contrary to a basic purpose of the rule -- to cap charges added to one local telephone line for each separate telephone user. It would discriminate between students who are essentially similarly situated and do not have complete freedom of choice of living quarters. It would impose a financial burden on all students, including the most needy.

¹⁰ Primary Lines Order at ¶14. Indeed, as explained *supra*, the new rule is more administratively burdensome than the old rule.

11 *Id.*

12 *See* Primary Lines Order at ¶15.

Therefore, for the reasons set forth above, Moultrie urges the Commission to reconsider its decision to restrict university dormitories to one primary line per room or suite. A more logical rule for campus environments would allow for one primary line per student, or alternatively, to count all telephone lines to dormitory rooms as primary.

Respectfully submitted,



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